

# Could Green Innovation, Business Reputation, and Social Media Influence the Financial Performance of Smes, Moderated by Business Attraction?

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## Abstract

Numerous SMEs remain uncertain about the wisdom of investing in social media advertising, despite the growing impact of social media engagement on the financial performance of organizations and the rising necessity for their digitalization. Numerous opportunities for business managers arise from the insufficient research on the financial results of firms' investment in social media within the SME sector, the pressure on SME managers to invest in intangible assets for reputation enhancement, and the concept of green innovation. This study assesses the effect of green innovation on corporate reputation and the influence of social networking sites on the financial performance of SMEs. The study's findings indicate that green innovation provides a substantial competitive advantage to enterprises in securing stakeholders' confidence, thereby enhancing the firm's reputation. Furthermore, social media conveys SME financial performance and green innovations to stakeholders, ensuring information symmetry. The academic literature encourages research on corporate sustainability based on the resource-based paradigm. The study is a cross-sectional quantitative study including 320 sampled small and medium-sized enterprises from emerging nations.

**Keywords:** green innovation, reputation, social media, financial performance, Resource-base view, and SMEs

